CALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) The broad assessment indicates that the overall requirements of foreign exchange for the import of fertilizers, intermediates and raw-materials in 1992-93 is expected to be around Rs. 6000 crores. The exact requirement, however, would depend on the level of actual consumption in the current year and the opening stock available in the system as on 1-4-92.

(b) and (c) Final decision has not been taken by Government to wind up the sick units.

Representation by All India Small Drugs Manufacturers Association

1180. SHRI S. MADHAVAN: Will the PRIME MINISTER be pleased to state:

(a) whether Government had received any representation from the All India Small Drugs Manufacturer's Association against the abolition of loan licence manufacturing of drugs and if so, what are the details;

(b) whether this abolition has rendered lakhs of people jobless and caused loss in production of essential drugs and if so, what are the details;

(c) what is the percentage of export of bulk drugs and formulations from the small scale sector drug units; and

(d) what are the steps taken by Government to safeguard the export potential of the small scale drug producers?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (b) The representation highlighted various factors like existing investment, production, employment etc. for advocating the continuance of the system. The matter is currently subjudice.

(c) Sectorwise exports of drugs are not being monitored.

(d) The information will be collected from the Ministry of Commerce and placed on the Table of the House.

Setting up of Ammonia Plant

1181. SHRI E. BALANANDAN: Will the PRIME MINISTER be pleased to state:

(a) whether FCI has submitted a proposal for acting up an Ammonia Plant; and

(b) if so, what action has been taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (b) Fertilizer Corporation of India Limited (FCI) sent proposal to either revamp the existing plant at Gorakhpur or put up a new 900/1500 tpd ammonia urea plant at Gorakhpur. FCI has been asked to expedite the health study of the existing plant and send recommendations of their Board of Directors whether they would like to go in for revamp of the existing plant or would prefer a new plant. The report in this regard is awaited from FCI.

Bureau of industrial costs and prices

1182. SHRIMATI RATAN KUMARI: Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 3085 given in Rajya Sabha on 19th December, 1991 and state:

(a) whether it is a fact that BICP is using isolated invoices and not the average rates of three to six months for working out bulk drug prices;

(b) if so, the reasons thereof;

(c) whether it is also a fact that under the system, producers are always the gainers at the cost of consumers;

(d) whether it is a fact that BICP ignores the stocks of imported and other raw materials;

(e) if so, the reasons thereof; and

(f) what is the approved principle on which rate is taken while working out the prices of bulk drugs and by whom was it approved?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) For working out the Bulk Drug prices, BICP uses the prices of raw materials and other inputs based on the invoices for latest purchase made by the manufacturers. The invoice prices are normally those verified by the investigating officers at the time of spot visit to the plant and these invoices relate to normal purchases for bulk quantities from usual sources.

(b) The usage of the latest prices are for working out the updated normated cost of production for a future pricing period. In the average prices for past 3/6 months is taken, the price would not reflect the latest cost. There is normally a time gap of 3/6 months between the visit to the plant and submission of report or notification of the price by the Ministry. In view of the above the adoption average price for any past period is not relevant.

(c) Since the prices are taken based on actual purchases made by the manufacturers, there is no question of gain by the produce at the cost of consumers.

(d) and (e) In view of the position explained at (b) above, the price of old stocks will not be relevant as the old stocks are likely to be exhausted by the time the prices are notified.

(f) The principle has been adopted by BICP based on financial and accounting propriety, and this is followed in all pricing studies including those for bulk drugs.

Small Scale Units

1183. SHRIMATI RATAN KUMARI: Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 3080 given in Rajya Sabha on 19th December, 1991 and state:

(a) whether it is a fact that decision on small scale units exemption from price control was mooted by the then Development Commissioner (PI) even before receipt of Kelkar Committee recommendations in the supplementary report;

(b) when was the Small Scale Units exempted from price control and when was the supplementary report received;

(c) what are the recommendations of Kelkar Committee on this issue;

(d) whether it is a fact that such decision has led to organised sector units creating dummy small scale companies to charge exorbitant prices and also to get away from the responsibility of investing;

(e) if so, what are the names of organised sector units who are operating small scale sector units along with the names of such units; and

(f) what are the names of products introduced by each after the commencement of DPCO, 1987?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a to f) Kelkar Committee was appointed by the Government to identify drugs to be included in Category II under the Drugs (Prices Control) Order, 1987. In so far as exemption from price